

State of California

M e m o r a n d u m

To: All Fairs

Date: July 6, 2004
Reference: F 2004-17
Telephone: (916) 263-2955



From: Department of Food and Agriculture -

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Subject: New Depreciation Conversion Guide

The purpose of this letter is to introduce the newly prepared fixed asset Depreciation Conversion Guide. This new resource was developed in response to numerous requests for assistance with the depreciation conversion process that was mandated for District Agricultural Associations in Circular Letter D2003-09, dated August 15, 2003. This guide is designed to provide fair organizations with additional information regarding conversion of their fixed asset accounting methods to depreciation in accordance with Governmental Accounting Standards Board (GASB) Statement Number 34.

While county-run fairs, as a public agency, are required to comply with GASB 34, they may choose to follow the guidelines issued by their governing county agencies. Not-for-profit fairs are not governed by GASB, but they are required by Generally Accepted Accounting Principles (GAAP) to depreciate their fixed assets, and may find the use of these guidelines beneficial.

The enclosed guide is meant to be used as a supplement to the updated Fixed Asset Policy and Procedure Manual Version 2, issued by the Department of Food and Agriculture Audit Office. It is important that you read the Fixed Asset Policy and Procedure Manual and the Depreciation Conversion Guide thoroughly before beginning your depreciation conversion process. For your convenience, version 2 of the Fixed Asset Policy and Procedure Manual is available for download on our website at <http://www.cdfa.ca.gov/fe/Depreciation.htm>.

Also included for your convenience is a diskette containing spreadsheets for use during the depreciation conversion process.

Should you have questions or require further information, please contact Peggy Verissimo of my staff at 916-263-2971.

Enclosures